Parts Management Reengineering

TLCSM Executive Council Update

05 Oct 06

Director

Defense Standardization Program Office

Tasking of the Reengineering Effort

- Parts Management Declined After Acquisition Reform (1995 – 2002)
- ADUSD (LPP) & Director DSPO Decided Parts Management Should be Reengineered (2003)
- Parts Management Reengineering Working Group Chaired by DSPO (PMRWG) Chartered (2003)

TLCSM EC Briefings

- October 14, 2004:
  - Initial brief (preliminary)
  - Challenges, findings, conclusions
- January 6, 2005:
  - Status brief
  - Preliminary Recommendations – Preliminary Approval
- April 6, 2006:
  - Final brief
  - Kickoff implementation phase
- October 5, 2006:
  - Interim brief
  - Progress update

What Is Parts Management?

- Selecting parts during weapon system design
- Analyzing parts for reliability, availability, and quality
  - Mitigating DMSMS is critical
- Screening for common usage
- Reducing the number of unique parts
- Qualifying products

PMRWG Conclusions

- Parts Management needs to be a requirement
- Parts Management needs a total system approach
- Parts Management decision-makers need better tools
- Parts Management can be fully accomplished within a performance-based environment

Major PMRWG Recommendations

- Restore parts management as an engineering discipline
- Make parts management a contractual requirement
- Create a Parts Management Knowledge Sharing Portal
- Improve DOD organization for parts management
- Build key partnerships and relationships
- Develop parts management tools and metrics
- Develop new marketing products
- Understand parts management's contribution to logistics footprint

What We Requested From You

- Green light to proceed into implementation
- Support during implementation phase
  - Systems Engineering
  - Acquisition policy
  - Defense Acquisition University
  - Industry participation/buy-in
- Advocacy for DoD Policy Changes
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Implementation Progress

- DSPO Chartered Parts Management Reengineering Implementation Process Team (PMRIPT)
  - Kick-off meeting in May 06
  - 3-day meetings held in July and August 06
  - Meetings scheduled for Oct 06, Nov 06 and Jan 07
- Organized PMRIPT into project teams to guide implementation of the top three recommendations:
  - Systems Engineering Team
  - Policy and Contracts Team
  - Tools Development Team
- Enlisted Parts Standardization & Management Committee (PSMC) to support reengineering effort
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Implementation Team Participants

- Military Departments and DLA
- OSD Systems Engineering
- DMSMS Working Group
- GIDEP
- PSMC
- Industry
- Trade Associations (i.e., AIA, AIAA)

Implementation Approach

- Systems Engineering Team
  - Working with Systems Engineering community on how best to restore parts management into current systems engineering policy and processes
  - Coordinating with DAU on incorporating parts management language into appropriate courses (i.e., acquisition, logistics, systems engineering, DMSMS)
- Policy and Contracts Team
  - Drafting policy documentation (i.e., DoD 5000.2, Defense Acquisition Guidebook), and developing a proposed MIL-STD-XXX, Parts Management
  - Drafting contract templates and data item descriptions for parts management contractual requirements
- Tools Development Team
  - Interviewing key users to determine tools requirements
  - Coordinating with DMSMS community to maximize and build upon existing DMSMS capabilities to develop a single point of entry to parts management data and information.

Closing

Any Questions?_

Back Up Material

What Is Parts Management?

- A multi-disciplined process designed to improve system supportability :
  - Reduce Life Cycle Cost
  - Improve reliability
  - Improve readiness (logistics/operational)
  - Improve interoperability
  - Control growth of Logistics Footprint
  - Mitigate DMSMS issues
  - Promote standardization across platforms
- Collaboration between primes, subs, and the Government

History of Parts Management

1977: **MIL-STD-965, Parts Control Program**

1983: **SECDEF Weinberger Spare Parts Acq memo**

1984: **DEPSECDEF Taft DoD Parts Control memo**

1994: **SECDEF Perry Acquisition Reform memo**

1996: **MIL-HDBK-965, Parts Management Program**

2000: **MIL-HDBK-512, Parts Management**

2004: **Re-Engineer Processes**

Reengineering

- All Services, DLA, OSD, Industry, Trade Assoc.
- Fact Finding
- Study Industry Best Practices
- Evaluate – Analyze – Explore Alternatives
- Examine Parallel Efforts (PBL, SE, CSI)
- Develop Findings, Conclusions, Recommendations

Warfighter Support

Parts Management:

- Ensures optimum part is used in a design
  - quality, reliability, availability, logistical, and cost
- Provides Warfighter a more reliable, available, and maintainable weapon system
- Ensures the logistics community has a better understanding of the part and its application
- Provides metrics that relate parts management decisions to increases in readiness and ROI

Parts Management is First and Foremost an Engineering Discipline

- Part selection is an engineering responsibility
- Selecting the right parts drives downstream outcomes
- Today, engineering parts management practice is inadequate
- OEM parts management often unfunded, therefore, not done
- Our recommendations address these issues

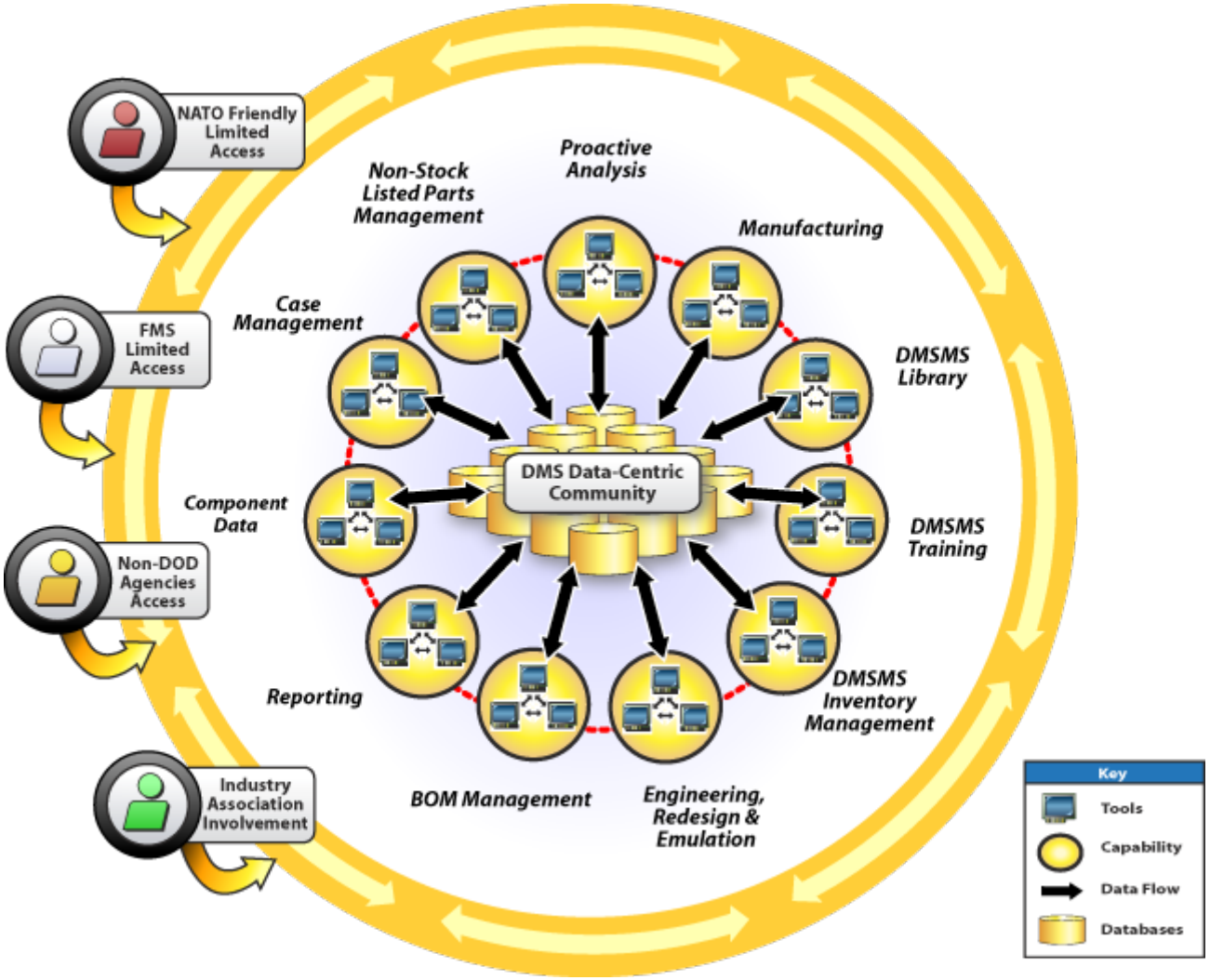
What We Mean by Making Parts Management A "Requirement"

- ***Not*** a return to past "prescriptive" practices
- Proposal to add some needed discipline
  - Action: Parts Management during design phase
  - Result: A more supportable system during sustainment
- Require a Parts Management Plan that addresses:
  - DMSMS
  - Parts Selection
- Address Parts Management in program reviews
  - Key element of a well-executed program
- DoD provide mechanism / shared data warehouse

The Critical Need — Current, Accurate Parts Data

- Existing parts data is inadequate, inaccurate, incomplete, inconsistent
- Parts data is spread across hundreds of sources
- DoD is now reengineering many of its parts-related information systems
- Now is the time to act
- We must integrate parts management requirements with current initiatives
- The first element is the DMSMS KSP

DMSMS KSP Capabilities



Logistics Footprint

The size of the presence of logistics support required to deploy, sustain, and move a weapon system, including:

- Inventory/equipment/parts
- Personnel
- Facilities
- Transportation
- Real Estate